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Britain and the United States," the author says, "have scarcely dried their tears of Christian joy over Russia's magnanimous and self-imposed mission of peace maker to the world, Russia's statesmen are busy on the task of stirring up a world-wide coalition against England, the tyrant." In the other half of his book the author describes the people and resources of Manchuria, Eastern Mongolia, the Yang tsze Valley, Southwest China, and Tong King. The hostility to foreigners, Mr. Colquhoun attributes to the policy of the Manchus. They themselves are foreigners, and yet are the rulers of the people. It would appear that the real Chinaman hates a Manchu quite as much as he does a European, and the Manchu himself has no real love for a Chinaman. Furthermore, the Manchus, being fearful of results should western civilization get a foothold in China, have deliberately sought to prejudice the people against the western world, and so have indirectly stimulated a passion which may result finally in their own overthrow, for to the Chinaman all outsiders are foreign devils. It will surprise many Americans to learn that in Mr. Colquhoun's opinion the United States occupies a much better position in China than Great Britain. Lombard street may furnish the money for Chinese railways, but the profits of construction and operation are going to New York. He criticises severely Great Britain's abandonment of the initiative in China, and her failure to get definite concessions and treaty rights, in place of vague spheres of influence to be maintained only by force. The reader will find this book and "China in Transformation," by the same author, an enlightening introduction to the political and economic phases of the Eastern question.

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Exercises in Economics. By W. G. LANGWORTHY TAYLOR. Pp. 120. Lincoln, Nebraska: The University Publishing Co., 1900.

The injunction on the title page, "Write Your Own Political Economy," indicates the purpose of the work. The book is not intended to be placed in the hands of students; it is to be used by the teacher to aid him in leading each student to develop the subject for himself. After each chapter are several essay topics to be assigned to students and a list of suggestive questions which appeal to the student's experience. A list of standard reference books is given with each topic, but the author advises that "it is better in all cases of doubt, that recourse to text writers be discouraged, and that only in exceptional cases of strong and advanced minds in whom the critical faculty has some development such reference be permitted." The method is

essentially one of self-instruction. The author believes that its chief merit will lie in the fact that students may be discouraged from making final conclusions, and that they may see that they are just beginning "the study of a large and ever-widening subject." The work is intended for colleges, high schools and independent students.

In the introduction the author traces the development of Economic Science, and shows its relations to other branches of knowledge, particularly history. He shows that at present there is a strong demand for economic instruction, and from the point of view of "maturity and completeness," economics does not need to give way to other sciences. The problem of most importance is considered to be the method of instruction. Professor Taylor does not believe that economics as presented by Mill and other standard writers can be taught successfully to students below college juniors, unless the teacher is well trained in economics. The greatest harm, however, which the author sees in the use of such books as Mill's, comes from the giving of fixed conclusions. The author's method therefore not only aims to make the subject more intelligible, but to prevent fixed conclusions. This is done by teaching the subject inductively. The student's experience and his observations, to which he is stimulated by suggestive questions, should furnish the body of knowledge which is to constitute his Political Economy. In the creation of an investigative spirit, lies the great value of the method.

The author appreciates the danger of economic instruction given by teachers unfamiliar with the subject. To such teachers he recommends as a substitute in the high schools, economic history. In such cases he thinks it may be taught as a preparation for the study of political economy in the university, and as a good substitute for political economy for students who will never go to the university.

With respect to points of view, the book is divided in two parts. In the first, the public point of view is treated negatively, while the positive interests are those of persons and classes. In the second part, the public point of view is considered positively in the treatment of general prosperity. The following subjects are considered in the first part: Fluctuating Prices, Steady Prices, Profits, Wages and Speculation; in the second part, are discussed Industry, Industrial Centres, Luxury, and Capital.

In discussing wages, the author divides producers into (1) those identified with changes which increase production, and (2) the followers of antiquated methods. While the income which goes to the non-progressive classes is not so passive as rent, it is more passive than profits, because it corresponds more nearly to animal than to psychic activities. Laborers calculate somewhat in shifting their

employments and in moving from place to place. Professor Taylor thinks that the development of capitalistic industry tends to give the wage-earner greater freedom by decreasing the rigor of specialization. The demand is growing more and more in favor of "trustworthiness" as against skill. Then, too, education makes the laborer more flexible.

The chapter on speculation is a discussion of the legitimacy of risk. The author argues that an institution must be judged from the time point of view. What is normal is right, but what is abnormal is not necessarily bad, because the abnormal in one epoch often becomes the normal in the succeeding epoch. All classes of business are on a speculative basis, and so the "test of legitimacy is not uncertainty but robbery." Speculation at the expense of others is illegitimate. As markets become larger, market prices become more important, the rates of wages and profits tend to become more uniform, and speculation becomes a less dominant factor. In the chapter on industry, the author continues his investigation into the legitimacy of economic methods based upon the facts which economic history reveals. When the serious business of life was war and economic conditions were subordinate to the political, kings and princes were identified with great economic projects. After the transition from a warrior to an industrial state, the old methods were still applied. Piracy went hand in hand with commerce, and kings contributed to buccaneering industry. These methods were then legitimate. Great risks were involved in nearly all investments. State interference was the best means of aiding enterprise, and consequently companies were formed with duties and privileges definitely defined, and monopoly of trade and enterprise prevailed almost everywhere. Modern industrial processes and inventions made possible quicker communication, wider markets, and a greater variety of products, while opportunities for the development of individual initiative were given which led to the freedom of industry from state interference. Decrease in business risks has accompanied a decline in state interference, and wide speculation and chartered trading companies have disappeared.

The psychical nature of Economic Science is well illustrated by showing why countries in the temperate zones are richer than tropical countries. The statement frequently made that anything is wealth "which saves to men trouble, exertion and fatigue" needs to be qualified. *Appreciation* is an essential condition. The gratuitous satisfaction of wants has no influence in stimulating effort to supply other wants. Man does not become richer unless he applies the effort saved to supplying other wants.

The dominant feature of the book is the method of instruction which it presents. While a number of works have been written

recently with the purpose of placing the teaching of economics on an inductive basis, none have gone so far in this direction as "Exercises in Economics." Professor Taylor has doubtless outlined the course of development which must take place in the teaching of economics not only in the secondary schools, but also in the more elementary classes in the university. Nor is there any reason why a science like economics, the facts of which are within the experience of every one, cannot be taught inductively. While the subject-matter of the book is subsidiary to the method, the contents of the book shows that the author is fully in sympathy with the latest development in economic theory. He believes that economics is fundamental to other social sciences; its relation to other branches of knowledge should therefore be definitely shown. The book is full of helpful suggestions both in theory and in method.

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Lohnpolitik und Lohntheorie, mit besonderer Berücksichtigung des Minimallohnes. By DR. OTTO VON ZWIEDENECK-SÜDENHORST. Pp. xiv, 410. Price, 9 mk. Leipzig: Duncker & Humblot, 1900.

Problems in distribution are receiving special attention from economists to-day, and the interest therein in Germany is as strong as it is in this country. The book under review is a typical German monograph, which traces a single idea, that of wage regulation, through history and theory. It is, however, a plea rather than a mere presentation. About half the book is devoted to a discussion and criticism of the various wage theories, while the remainder is equally divided between a description of the practical attempts at wage regulation in various countries and a plea for further state action. The author begins by defining his position briefly. Wages are not determined by the law of supply and demand, which at most can explain only the fluctuations, nor by the cost of living, but by custom. It would seem from this that Dr. Zwiedeneck-Südenhorst has in mind German conditions, and especially those which characterize agricultural communities. Yet he draws all his facts and illustrations from the cities, and largely from English practice, and expressly rules agricultural wages out of the discussion.

The development of governmental policies is next traced in outline from the Diocletian Edict of 301. During the period of the "*geschlossene Hauswirtschaft*," when production was confined to the home, there was no wage, and hence no necessity for regulating wages. With the growing independence of industrial labor came